

PORT AND SOLID WASTE DEPARTMENT

Approved:

11.19.09

Brown County

2561 SOUTH BROADWAY
GREEN BAY, WI 54304

CHARLES J. LARSCHEID

PHONE: (920) 492-4950 FAX: (920) 492-4957

PORT AND SOLID WASTE DIRECTOR

PROCEEDINGS OF THE BROWN COUNTY HARBOR COMMISSION

A meeting was held on Monday, **October 12, 2009**, 11:30 A.M., at Holiday Inn – City Centre, Green Bay, WI. The meeting was officially called to order by President McKloskey at 11:30AM.

1. Roll Call:

Present:

President Neil McKloskey
Vice-President Tom Van Drasek
Commissioner Hank Wallace
Commissioner John Hanitz
Commissioner Bernie Erickson
Commissioner Craig Dickman
Commissioner Ron Antonneau (*arrived at 11:35am*)

Excused:

Commissioner Bill Martens
Commissioner John Gower

Also Present:

Charles Larscheid, Brown County Port & Solid Waste
Dean Haen, Brown County Port & Solid Waste
Tony Walter, Green Bay Press Gazette

2. Approval/Modification – Meeting Agenda

A motion was made by Craig Dickman and seconded by Tom Van Drasek to approve the agenda. Unanimously approved.

3. Approval/Modification – September 14, 2009 Meeting Minutes

A motion to approve the September 14, 2009 meeting minutes was made by Hank Wallace and seconded by Tom Van Drasek. Unanimously approved.

4. Strategic Plan Subcommittee – Update

Several meetings have been held and progress is being made. The subcommittee has had productive dialog on the foundation of the Harbor Commission, challenges over the past years, and the best strategy for moving forward. Once the entire Strategic Plan has been reviewed by the subcommittee formulated Plan will be presented to the Harbor Commission for their review and/or approval. The subcommittee hopes to have this done by year-end. If anyone on the Commission has suggestions they are asked to convey those suggestions to a member of the subcommittee. Directional items will be brought back to the Commission as a whole to ensure the subcommittee is proceeding on the right track. The next Strategic Plan Subcommittee meeting is scheduled for October 28, 2009 at 11 o'clock.

5. Letter to WDNR/USEPA Regarding Navigation Concerns Related to the Fox River Clean-up Project – Request for Approval

A draft letter to the USEPA and WDNR expressing Brown County's concerns with 2010 dredging and long-term capping in the Fox River was provided to the Commission for their review. The final Fox River Cleanup design which addresses all reaches of the river including capping in the navigational channel, will be completed by the PRP's by December 2009. Brown County is hoping the WDNR and the USEPA will acknowledge our concerns before their plans become finalized.

Michael, Best & Friedrich has reviewed the draft letter. Discussion ensued. The Commission requested all Brown County legislators including Tom Petri, the Brown County Board Chair, and Michael, Best & Friedrich be copied on the letter. **A motion to approve the letter as printed with the additions of the additional legislators was made by Hank Wallace and seconded by Ron Antonneau.** Unanimously approved.

6. Assignment of SemFuel's Dockwall Lease to Noble Petro Inc. (contingent upon Brown County Corporation Counsel review) – Request for Approval

In 2004 a dockwall was constructed at the former U.S. Oil location, for which Brown County was to receive a monthly payment of \$250 for 25 years. This payment was for U.S. Oil's share of the dockwall project costs. U.S. Oil was subsequently sold to SemFuel who recently filed for bankruptcy. Under bankruptcy protection, SemFuel did not make the monthly lease payments to Brown County for five months. SemFuel has now been purchased by Nobel Petro Inc. Nobel Petro Inc. is a larger company with headquarters in Connecticut. Historically they have been a trading company and this is their first entrée into physical assets. The SemFuel bankruptcy document, the memorandum of lease, and the actual assignment of the dockwall lease to Noble Petro has been sent to Brown County Corporation Counsel for review. Recovering the lost lease payments from Nobel was discussed. The Commission felt the benefits of having an active terminal operator as well as starting on a positive note with Petro was more important than the lost revenue. **A motion to approve was made by Ron Antonneau and seconded by John Hanitz.** Unanimously approved.

A motion to go back to #5 was made and unanimously approved. The Commission requested a copy of the letter be sent to Michael, Best & Friedrich.

7. Foreign Trade Zone General Zone Activity Request – Update

The Foreign Trade Zone (FTZ) has been in Green Bay since the early 90's and has been expanded with subzones around the state. There has never been any general zone activity; however, a request was received from Fill Logistics in Oshkosh to use a warehouse on Glory Road. The warehouse, owned by Leicht's, is within the general FTZ. Staff has been working with Fill Logistics, Leicht's and U.S. Customs, with the biggest obstacle being union issues. Fill Logistics is an order fulfillment center and once operational should provide Brown County revenue of \$250 to \$1000 per month.

8. Port Budget – Update

With the new financial computer system recently implemented, the Port Department and the Solid Waste Department are now separate accounts. A spreadsheet of the budget, produced using the new system, brought to light some accounting discrepancies in the previous budgets. Previously staff would look at expenses and revenues at year end and then transfer monies from the 217 Agreement account to balance the Port budget. Staff explained that at times certain expense or revenue items were missed during the calendar year. When staff became aware of these items at a later date, they were applied but not necessarily to the proper year. In 1999 the Port Department merged with the Solid Waste Department. In 2001, Brown County signed the 217 Agreement with the U.S. Army Corps of Engineers (USACE). The Port Department was also taken off the tax levy in 2001. In 2002 the 217 Agreement took effect. In 2007, the Port acquired the compost facility from the City of Green Bay for \$150,000; however this was not shown as an expense for the Port. In 2008 the Port incurred \$120,000 in litigation bills for the Fox River Clean-up and that amount was transferred at the end of last year. Although the Port Department and the Solid Waste Department are two separate enterprise funds, the category of "unrestricted cash" remained a common fund between the two. Over this 10-year period, a total of \$453,000 of Solid Waste funds was used by the Port and needs to be reimbursed. Discussion on how to handle the repayment of this money ensued. Currently the Port has \$2M in the property acquisition and siting fund and seems to be the only option for reallocating funds to cover the discrepancy. Effective January 1, 2010 the Port Department and the Solid Waste Department will have two separate accounting systems so this problem will not happen again. The Commission questioned why this was not caught sooner and if

staff is confident the numbers being presented at this time are accurate. Staff indicated these numbers were confirmed by the Brown County Finance Department. The Commission expressed concern and requested more evidence from staff that these numbers are accurate and suggested Brown County Finance attend a meeting to explain these numbers. A second outside opinion to substantiate Finance's numbers was requested. This is an accounting error that has strategic implications and will influence future decisions of Port activities. Once the Commission has received all the facts and has validation on the accounting, they can then address this issue. The next Harbor Commission meeting will be on Thursday November 19, 2009.

9. Cat Island Mitigation Bank Project – Update

The Cat Island Chain project consists of 270 acres of islands and 1400 acres of land behind it. Once these acres are enhanced, they could then be banked and might be sold for wetland mitigation credits. Credits sell for approximately \$30,000 an acre. However, since Brown County does not own the land behind the islands (state lakebed) and federal money is going to be involved in building the Cat Islands, using these acres for banking may not be possible. Although Michael, Best & Friedrich (MB&F) is going to research this further they have indicated to staff that Brown County should proceed as these are "work arounds." Based on MB&F's recommendation, staff plans to meet with U.S. Fish & Wildlife, USACE and the Wisconsin Department of Natural Resources (WDNR). MB&F stated they believe Brown County may have set a precedent of accepting the Bylsby acreage as wetlands based on the letter sent with the application. In that letter, STS, on behalf of Brown County, acknowledges the area in question has the characteristics of a wetland. A letter and application was submitted to the USACE in Spring 2009 along with a check for \$500 for the review fee. Originally Brown County's application was to fill the basins at the Bylsby property, however, the USACE then indicated Brown County's submission was incomplete since mitigation was necessary and the application was deemed incomplete. Discussion ensued on how to proceed. The Commission requested the application be withdrawn and resubmitted when: 1) a decision is made whether to appeal that the Bylsby property is non-wetlands or 2) Brown County has a mitigation project is in hand.

10. Bay Port Operating Decision

a) Recalculations of Closure & Long-Term Care Costs – Request for Approval

Based on the current rate at which funds are received from the 217 Agreement, the County will have a surplus of funds by year 20 of the Agreement; however the County will still have 3 years of work to do at BayPort. Therefore Brown County Finance has suggested a deferred O&M fund be created and the closure and long-term care costs of BayPort be reviewed. Originally BayPort's closure was about bringing in clean dirt, however by using some of the dredge material for the Renard Island closure, this lessens our closing requirements at BayPort.

A motion to approve 10A recalculating cost of closure not to exceed \$3000 by Ron Antonneau and seconded by Bernie Erickson. Unanimously approved.

b) Engineering & Design Costs for Cell 9 Expansion – Request for Approval

Cell 7 which was a demonstration project is full. Should the closure of Renard Island take longer than expected, material will need to be moved out of the dewatering cells which in turn will fill Cell 8 sooner than anticipated. Staff stated a plan needs to be in place two to three years before Cell 8 is filled in order to keep BayPort operational. The firm of Robert E. Lee is researching the permitting requirements, WDNR process, and site engineering. A timeline for Cell 8 as well as costs for WDNR approval of using Cell 8 as a temporary storage facility are being calculated. **A motion to approve 10b, task #1 for the engineering and design costs for cell 9 expansion not to exceed \$8000 was made by Ron Antonneau and seconded by Bernie Erickson.** Unanimously approved.

c) Engineering & Research Cost Pursuing Beneficial Reuse – Request for Approval

A letter received from the State indicates that pcb's at 4 parts per million (ppm) can be placed on the cap for Renard Island. Based on this number, staff is recommending advancing the beneficial reuse of dredge material. Per the WDNR, Brown County would need to contact the State with the proposed uses and have the material tested to ensure it meets State

environmental standards. Staff is confident the material at BayPort would meet that standard based on the 4ppm. There are 1 million cubic yards of dredge material at BayPort, and if approved as topsoil, could be a substantial source of revenue for the Port. The Wisconsin Department of Transportation (WDOT) has also expressed an interest in using dredge material on the upcoming Highway 41 project. The Commission requested staff bring this information to the November meeting.

11. Director's Report

□ *Bylsby*

Brown County received a request to rent the building on the Bylsby property. The request is from the same company which rented the building in 2008. They will be using the loading rack and storing equipment for two months. A monthly lease payment of \$1500 will be charged.

□ *Great Lakes Restoration Initiative*

There is currently \$75M in grant money available for the Great Lakes Restoration Initiative. Staff is pursuing this grant opportunity for Renard Island which is perceived as an environmental nuisance in our community and would qualify for the Great Lakes Restoration Initiative.

□ *County Budget 2010*

Brown County is implementing health reimbursement accounts for all administrative employees for 2010 rather than the benefit package previously provided. A 2% wage increase has been proposed for administrative employees.

□ *Human Resources Payroll System*

A new payroll system is being implemented by the County as Phase II of the new financial system. No further information available at this time.

□ *Kaizen/Lean Management*

More events are being held to streamline County services and apply lean principles.

□ *Miscellaneous Items*

- Brown County currently has a hiring freeze through 2010.

- The Port budget as approved by the Harbor Commission is included in Executive's budget.

□ *Brown County Highway Department at BayPort*

In the past all work done at BayPort was done by the Brown County Highway Department. Discussion ensued on whether the Port is required to use the Brown County Highway Department for moving dredge material at BayPort. For the past 10 years, the Highway Department has charged \$2.50 per yard, using crane mats to provide temporary roads. Staff suggested that if the Commission feels this work should be bid out, that the Commission needs to speak directly with the County Executive. The Commission requested an outline of the work which is required to be done at BayPort along with "ballpark" pricing for such services from the private sector before approaching the County Executive.

12. Audit of Bills – Request for Approval

A motion to approve the bills was made by Ron Antonneau and seconded by Craig Dickman. Unanimously approved.

13. Tonnage Report

14. Such Other Matters as are Authorized by Law

Ashwaubenon has indicated the Schneider National Truck Facility on South Broadway is to be sold. Is that possible Port property? Probably not since the federal navigation channel is not maintained up that far.

Money spent on the Tallships Festival should have prior approval from the Commission. Staff indicated the Port has no cash involvement and only nominal time involvement. PMI is doing the publicity and is promoting the Port. Leonard & Finco is also promoting the Port and will have a booth at the Tallships Festival.

An update on the recent Planning Commission meeting was provided by President McKloskey. County planners discussed what they wanted along the waterfront. During public comment, Bay-Lake Regional Planning questioned what was being done with the coal piles. The meeting seemed to focus on the trails along the river with plans for the trails to go into restricted areas. A list of stakeholders was requested. The City of Green Bay discussed the new boardwalk. Another Planning meeting is scheduled in November. The Commission indicated they felt every economic development unit in Northeast Wisconsin should attend these meetings to support commercial development along the Port.

15. Ajourn

A motion to adjourn was made by Hank Wallace and seconded by John Hanitz. Unanimously approved. Meeting adjourned at 1:21pm.

Neil McKloskey, President
Harbor Commission

Charles Larscheid, Director
Port & Solid Waste Department